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Council Chair Donovan M. Dela Cruz Proposes Legislation Establishing Hotel Conversion Permit System

Bill looks to amend Land Use Ordinance to ensure responsible conversion of hotel units

HONOLULU, HI – Honolulu City Council Chair Donovan M. Dela Cruz introduced Resolution 05-248, proposing a bill establishing a permitting process for hotels looking to convert rooms into condominium units. The purpose of the legislation is to promote responsible hotel conversion and ensure that Oahu has a sufficient supply of hotel guest rooms available to meet the demand of its travel industry.

"If the trend continues, the number of hotels converting to condominiums will significantly reduce the number of guest rooms available on our island and more importantly, reduce the number of local jobs in our economy," said Council Chair Donovan M. Dela Cruz. "This is the beginning of a long process and I look forward to the public hearings and discussion that will take place."

The proposed legislation would establish a hotel conversion permitting system that includes a 90-day review by the director of the Department of Planning and Permitting, a director's report submitted to the City Council, a 60-day Council review of the report and a public hearing to approve or deny the application. A hotel conversion permit will be required for any conversion of a hotel to a condominium except for any hotel with a total of fewer than 200 lodging units.

(more)

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The proposed legislation would also require the director of the Department of Planning and Permitting to not recommend approval of a hotel conversion permit if the director finds that the cumulative effect of hotel conversions (past, present and future) to have a significant and negative effect on hotel room availability. Significant and negative is defined as the total number of transient vacation units in the hotel will be reduced by more than 10 percent, or the reduction in transient vacation units resulting from the proposed conversion, when combined with previous conversion permits affecting the same hotel, will reduce the number of transient vacation units by more than five percent.

Honolulu City Council Chair Donovan M. Dela Cruz represents Council District 2, which includes Mililani Mauka, Wahiawa, Whitmore Village, Mokuleia, Waialua, Haleiwa, Waimea, Pupukea, Sunset Beach, Kahuku, Laie, Hauula, Punaluu, Kahana, Kaaawa, Kualoa, Waiahole, Kahaluu, Ahuimanu, and a portion of Heeia.

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